

ORDER NO. 1907

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Before Commissioners:

Ruth Y. Goldway, Chairman;
Robert G. Taub, Vice Chairman; and
Mark Acton

Competitive Product Prices
Inbound Competitive Multi-Service Agreements with
Foreign Postal Operators
Canada Post Corporation – United States Postal
Service Bilateral Agreement (MC2010-34)
Negotiated Service Agreement

Docket No. CP2014-13

NOTICE AND ORDER CONCERNING
ADDITIONAL INBOUND COMPETITIVE MULTI-SERVICE
AGREEMENT WITH FOREIGN POSTAL OPERATORS 1
NEGOTIATED SERVICE AGREEMENT
(WITH CANADA POST CORPORATION)

(Issued December 16, 2013)

I. INTRODUCTION

On December 13, 2013, the Postal Service filed Notice, pursuant to 39 CFR 3015.5, that it has entered into a successor negotiated service agreement (Agreement) with Canada's foreign postal operator, Canada Post Corporation (Canada Post).¹

¹ Notice of United States Postal Service of Filing Functionally Equivalent Inbound Competitive Multi-Service Agreement with a Foreign Postal Operator, December 13, 2013 (Notice).

The Postal Service seeks to have the inbound portion of the Agreement, which concerns delivery of inbound Expedited Parcels USA and Express Mail Services (EMS) in the United States, included within the Inbound Competitive Multi-Service Agreements with Foreign Postal Operators 1 (MC2010-34) product on the competitive product list. Notice at 1, 3.

II. CONTENTS OF FILING

The Postal Service's filing consists of the Notice, financial workpapers, and four attachments.² Attachment 1 is an application for non-public treatment of material. Attachment 2 is a copy of the Agreement. Attachment 3 is the certified statement required by 39 CFR 3015.5(c)(2). Attachment 4 is a copy of Governors' Decision No. 10-3.

The Agreement's intended effective date is January 1, 2014. *Id.* at 3. The Agreement is set to expire two years after the effective date, subject to termination pursuant to contractual terms. *Id.*

The Postal Service states that the Agreement is the successor to the 2012 Canada Post Agreement approved in Order No. 1088.³ It also identifies the 2012 Canada Post Agreement as the baseline agreement for purposes of determining functional equivalence. Notice at 2. It asserts that the Agreement fits within applicable Mail Classification Schedule language included in Governors' Decision No. 10-3. See *id.* at 3, Attachment 4. The Postal Service identifies differences between the Agreement and the 2012 Canada Post Agreement, such as revisions to existing articles and attachments, but asserts that these differences do not detract from a finding of

² The financial workpapers and Attachments 2 and 4 were filed in redacted and unredacted versions. Terms and conditions associated with International Business Return Service are not included in the Notice because return service to U.S. customers has not yet been launched. *Id.* at 3-4. The Postal Service states that it will file an appropriate amendment and corresponding notice prior to the launch of this product. *Id.* at 4.

³ Notice at 2; Docket No. CP2012-4, Order Adding an Additional Bilateral Agreement to Inbound Competitive Multi-Service Agreements With Foreign Postal Operators 1 Product, December 30, 2011 (Order No. 1088).

functional equivalency.⁴ Notice at 5-7. In addition, it states that both agreements incorporate the same cost attributes and methodology, thereby making the relevant cost and market characteristics the same. *Id.* at 6.

III. COMMISSION ACTION

Notice of establishment of docket. The Commission establishes Docket No. CP2014-13 for consideration of matters raised by the Notice. The Commission appoints James F. Callow to serve as Public Representative in this docket.

Interested persons may submit comments on whether the Postal Service's filing in the above-captioned docket is consistent with the policies of 39 U.S.C. 3632, 3633, and 3642 and the requirements of 39 CFR parts 3015 and 3020. Comments are due no later than December 23, 2013. The public portions of this filing can be accessed via the Commission's website (<http://www.prc.gov>). Information on obtaining access to sealed material appears in 39 CFR part 3007.

IV. ORDERING PARAGRAPHS

It is ordered:

1. The Commission establishes Docket No. CP2014-13 for consideration of matters raised by the Postal Service's Notice.
2. Pursuant to 39 U.S.C. 505, James F. Callow is appointed to serve as an officer of the Commission (Public Representative) to represent the interests of the general public in this proceeding.
3. Comments are due no later than December 23, 2013.

⁴ See, e.g., in Article 13, revisions to procedures related to filings in the regulatory process; in Attachment 5, inclusion of initiatives intended to improve quality of service; and in Attachment 7, inclusion of product development and collaborative initiatives. Notice, Attachment 2 at 4-5, 43-44, 48.

4. The Secretary shall arrange for publication of this Order in the *Federal Register*.

By the Commission.

Ruth Ann Abrams
Acting Secretary